

ST. MARY COUNCIL ON AGING, INC.
Franklin, Louisiana

Financial Report

Year Ended June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

12/1/10

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The following discussion and analysis of St. Mary Council on Aging, Inc.'s financial performance provides an overview of the Council's financial activities for the year ended June 30, 2010. Please read it in conjunction with the financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The Council showed a net increase in overall net assets of \$5,620 or 3.0% this year.

Net Capital Assets of the Council increased by \$92,167 or 3140.8% and is attributable to capital asset additions and depreciation expense.

Investments consisting of bank certificates of deposit and a money market account decreased by \$22,929 during the current fiscal year. During the year the bank certificates of deposits matured and were cashed in for \$90,000, and the money market account increased by \$67,071.

The unreserved, undesignated fund balance for the Council's General Fund totaled \$91,628 at year-end, which is a \$69,929 decrease from the prior year.

HOW TO USE THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 10, 11, and 12) provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. Fund financial statements begin on page 14. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately after this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information Required by GASB Statement 34 and Supplementary Financial Information Required by GOEA that follow later in this reporting package. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

Reporting the Council as a Whole Using Government-Wide Statements

Our analysis of the Council as a whole begins on page 3. An important question to ask about the Council's finances is, "Is the Council as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities (referred to collectively as the Government-Wide Financial Statements) report information about the Council as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements can be found on pages 10 to 12 and report the Council's net assets and changes in them. Some of the net assets are restricted which means they can only be used for a specific purpose. The Statement of Net Assets is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net assets are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the

Council, you will need to consider other nonfinancial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities provides information that shows how the Council's net assets changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive social services, nutritional services, utility assistance, and disease prevention and health promotion. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to pay for the services it provides to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities. However, the Council does charge a small monthly fee to people who rent Medic Alert units and a fee for persons under 60 years old to ride the Council's vans. We do not view the fees we charge for these activities as a business-type activity because we do not intend to make a profit or recover the full cost of providing the service.

Reporting the Council's Most Significant Funds Using Fund Financial Statements

Our analysis of the Council's major funds begins on page 5. The Fund Financial Statements can be found on pages 14 and 15 and provide detailed information about the most significant funds - not the Council as a whole. In the Fund Financial Statements you will see a General Fund and a variety of Special Revenue Funds. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. By using separate funds to track revenues and expenditures, we can control and manage funds for particular purposes or we can show that the fund is meeting legal responsibilities for using certain grants and other money.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. We have presented the difference between the net assets of governmental activities and the fund balances of the governmental funds in a reconciliation at the bottom of the Balance Sheet for Governmental Funds. In addition, the difference between the change in net assets for the governmental funds and the change in net assets for the governmental activities has been presented in reconciliation on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 to 32. You should read the notes before making assumptions or drawing conclusions about the Council's financial condition.

Supplementary Financial Information Required by GASB Statement 34

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final appropriated budgets to actual operating results for the Council's fiscal year. We have also opted to present positive and negative variances between the final budget and actual amounts.

Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which we believe is important to present for the Council's financial statement users.

Management's Discussion and Analysis is also required supplementary information (RSI) by GASB Statement 34. However, it is presented as the first item in this reporting package and not with the other RSI by GASB Statement 34.

Other Supplementary Financial Information Required by GOEA and OMB Circular A-133

The Council has also presented other required supplemental information in this report package.

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 39 to 41. This information will be used by GOEA to verify the accuracy of information the Council submitted to it during the year and to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

AN ANALYSIS OF THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects condensed information on the Council's net assets:

	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 117,339	\$ 206,630
Capital assets, net of depreciation	<u>95,198</u>	<u>3,031</u>
Total assets	<u>212,537</u>	<u>209,661</u>
Compensated absences	13,664	12,429
Other current liabilities	<u>4,126</u>	<u>8,105</u>
Total liabilities	<u>17,790</u>	<u>20,534</u>
Invested in capital assets, net of related debt	95,198	3,031
Restricted	21,585	37,525
Unrestricted	<u>77,964</u>	<u>148,571</u>
Total net assets	<u>\$ 194,747</u>	<u>\$ 189,127</u>

As of June 30, 2010, the Council "as a whole" had assets greater than its liabilities by \$194,747. The Council's total net assets increased from \$189,127 to \$194,747. This equates to a decrease of 3.0%.

The Council's unrestricted net assets actually decreased by \$70,607 or 4.8% during the year. Approximately 40.0% of the Council's net assets are unrestricted as of June 30, 2010. It is important that the Council have unrestricted net assets so that we will have resources available to adapt to changes in the economy, emergencies, unexpected needs, and reductions in or termination of grant revenues by government agencies.

The Council's restricted net assets decreased by \$15,940 or 42.5% mostly because of the decrease in prepaid expenses. Net assets are reported as restricted when the constraints placed upon the asset's use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net assets that have been invested in capital assets are presented net of any related outstanding debt incurred to acquire them. For both years presented, there is no debt that has been subtracted from the capital asset amounts. Our policy is to acquire capital assets by paying cash and avoiding debt. This policy helps to assure us that decreases in the Council's future revenues won't impact its ability to provide a certain level of service to our clients and program participants.

The liability for compensated absences has increased \$1,235 during the year. This liability totaling \$13,664 as of June 30, 2010, represents what the Council would owe to its employees as of year-end for unused vacation leave. If employee vacation patterns are similar from year to year and if the number of employees remains about the same, then the amount owed at year-end will not change very much from year to year. This liability could adversely affect the Council's financial position if we were to have to lay off a significant portion of our workforce. This event would trigger the immediate payment of unused vacation to the terminated employees.

Other liabilities decreased by \$3,979 this year. The primary reason for the decrease is a decrease in payroll taxes payable.

	<u>2010</u>	<u>2009</u>
Revenues		
Program revenues	\$ 263,936	\$ 275,549
General revenues	<u>215,025</u>	<u>180,768</u>
Total revenues	<u>478,961</u>	<u>456,317</u>
Direct program expenses of the Health, Welfare and Social Services Function		
Supportative services	133,137	119,372
Nutrition services	121,498	123,070
Utility assistance	977	1,168
Disease prevention and health promotion	6,205	4,439
National family caregiver support	26,364	29,373
Senior center - recreation	31,141	41,398
Direct administrative expenses	<u>154,019</u>	<u>154,044</u>
Total expenses	<u>473,341</u>	<u>472,864</u>
	<u>\$ 5,620</u>	<u>\$ (16,547)</u>

The Council's total revenues (excluding special items) increased by \$22,644 or 5.0% versus last year while total expenses increased \$477 or 0.0% versus the previous year.

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Most of the Council's activities are funded by federal, state, and local grants. These grants amount to approximately 63% of the revenues of the Council in 2010 and 51% in 2009. Some of these grants are restricted which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year, however, some grant amounts may change based upon the level of service provided by the Council under the terms of the particular grant award.

The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues represented 23% of the total revenues for 2010 and 35% for 2009.

The Council invests idle funds and is able to earn some interest on this money each year. The investment earnings are used or accumulated as necessary to meet expenses each year.

When reviewing the Government-Wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. The Council's largest activities are related to transportation and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of St. Mary Parish. There is a high demand for these services; therefore, resources are channeled to meeting the demand.

You will also note that most of the governmental activities have more expenses than revenues. We expect this situation to occur and have prepared the Council's budgets for these activities with this in mind. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities.

Another indication of how we are using money efficiently can be analyzed by comparing the amount of administration costs from year to year as well as calculating the percentage administration expenses bears in relation to total expenses. For 2010, total administration expenses were \$135,724, or 29% of total expenses. In comparison, total administration expenses for last year were \$134,909 or 29%.

AN ANALYSIS OF THE COUNCIL'S FUNDS USING GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund Balances

The Council showed a combined governmental fund balance of \$113,213 (as shown on the Fund Financial Statement's balance sheet at pages 14 and 15) at the end of this year, which is a decrease of \$85,312, versus last year. When you look at the funds individually you will see that the Council's General Fund decreased by \$90,439 this year, while the Special Revenue Funds had a combined fund balance increase of \$5,127.

The primary reason for the decrease in the General Fund's fund balance is because the general fund transferred more revenues to finance various programs accounted for in other programs.

Revenues

The combined fund revenues increased \$22,644 this year versus last year, or 5.0%. The main reasons for this increase are as follows:

The Department of Transportation and Development provided \$77,434 for the purchase of two vehicles under Section 5310. Local municipalities provided less money during the year, which resulted in a decrease of \$10,556 this year compared to last year. Donations decreased \$40,524 this year versus last year.

Expenditures

Total expenditures increased by \$477 this year, or 0.0%, which is mostly due to the decrease of personnel and operating supplies.

AN ANALYSIS OF THE GENERAL FUND BUDGET

You can find schedules of the original and amended budgets for the General Fund in the Supplementary Financial Information Required by GASB Statement 34 section of this report on page 34.

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the Council had \$95,198 in fixed assets net of accumulated depreciation. This amounted to a net increase of \$92,167 during the year. The increase is attributable to current year capital asset additions and depreciation expense.

The Council purchased two vehicles totaling \$96,792 during the fiscal year ended June 30, 2010. More detailed information can be found about the Council's capital assets in Notes 1 and 5 to the financial statements.

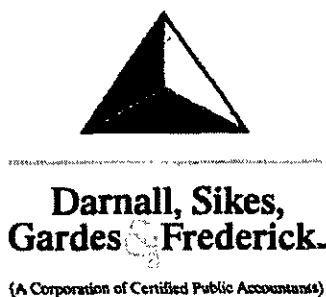
The Council does not have any long-term debt related to its capital assets and does not like to incur any as a matter of policy. We have already discussed the nature and effects of the compensated absence liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues may vary from year to year. In setting its budget for fiscal year 2011, it was important that we deliver at least the same level of service to our clients and the public as we did in 2010. All of the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2011. There have been no significant changes to the funding levels or terms of the grants and contracts. Accordingly, we have set our initial budget to provide the same programs and levels of service next year. GOEA has also approved the Council's budget for next year. There are no plans to add any significant programs for next year.

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Beverly Domengeaux, the Council's Executive Director, at the Council's main office located at Room 303 Courthouse, Franklin, LA, 70538, or by phone at 337-828-4100 ext. 320.



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
St. Mary Council on Aging, Inc.
Franklin, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Mary Council on Aging, Inc., as of and for the year ended June 30, 2010, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Mary Council on Aging, Inc., as of June 30, 2010, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 20, 2010, on our consideration of the St. Mary Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 6 and 34 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Mary Council on Aging, Inc. financial statements as a whole. The schedule of non-major funds and comparative schedule of general fixed assets on pages 40 through 41 are presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

August 20, 2010

GOVERNMENT WIDE FINANCIAL STATEMENTS

ST. MARY COUNCIL ON AGING, INC.

Government Wide Statement of Net Assets
June 30, 2010

	Governmental Activities
ASSETS	
Cash	\$ 7,908
Investments	82,532
Grants and contracts receivable	19,286
Prepaid expenses	7,613
Capital assets, net of accumulated depreciation	<u>95,198</u>
Total Assets	<u>212,537</u>
LIABILITIES	
Accrued liabilities	4,126
Accrued compensated absences	<u>13,664</u>
Total Liabilities	<u>17,790</u>
NET ASSETS	
Invested in Capital Assets, net of debt	95,198
Restricted for:	
Utility Assistance	13,972
Prepaid expenses	7,613
Unrestricted	<u>77,964</u>
Total Net Assets	<u>\$ 194,747</u>

The accompanying notes are an integral part of this statement.

ST. MARY COUNCIL ON AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2010

	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
Function/Programs		
Governmental Activities		
Health, Welfare & Social Services:		
Supportive Services:		
Other services	\$ 13,362	\$ 5,408
Homemaker	66,857	27,058
Information and assistance	9,047	3,661
Outreach	4,646	1,880
Transportation	39,225	15,875
Nutrition Services:		
Congregate Meals	27,957	10,410
Home delivered meals	93,541	44,244
Utility Assistance	977	-
Disease prevention and health promotion	6,205	2,810
National family caregiver support:		
Respite care	12,531	4,669
Other services	13,833	5,155
Multipurpose senior centers	31,141	14,554
Administration	<u>154,016</u>	<u>(135,724)</u>
Total governmental activities	<u>\$ 473,338</u>	<u>\$ -</u>

Program Revenues			Net (Expense) Revenue and Increases (Decreases) in Net Assets
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
\$ -	\$ 3,811	\$ -	\$ (14,959)
6,420	38,812	-	(48,683)
-	3,810	-	(8,898)
-	1,575	-	(4,951)
2,782	11,613	-	(40,705)
15,533	26,785	-	3,951
30,417	17,698	-	(89,670)
-	3,264	-	2,287
-	4,046	-	(4,969)
962	14,929	-	(1,309)
1,063	11,532	-	(6,393)
-	50,589	-	4,894
-	18,292	-	-
<u>\$ 57,177</u>	<u>\$ 206,756</u>	<u>\$ -</u>	<u>(209,405)</u>

General Revenues:

Grants and contributions not restricted to specific programs	196,848
Unrestricted investment income	2,154
Miscellaneous	16,023
Total general revenues and special items	<u>215,025</u>
Increase (decrease) in net assets	5,620
Net assets - beginning of the year	<u>189,127</u>
Net assets - end of the year	<u>\$ 194,747</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ST. MARY COUNCIL ON AGING, INC.

Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Title III B	Title III C-2	Senior Center	Section 5310	Non-Major Funds	Total
ASSETS							
Cash	\$ (8,905)	\$ -	\$ -	\$ -	\$ -	\$ 16,813	\$ 7,908
Investments	82,532	-	-	-	-	-	82,532
Grants and contracts receivable	19,286	-	-	-	-	-	19,286
Prepaid expenditures	7,613	-	-	-	-	-	7,613
Total Assets	<u>100,526</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,813</u>	<u>117,339</u>

LIABILITIES AND FUND BALANCES

LIABILITIES							
Accrued liabilities	<u>4,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,126</u>
Total Liabilities	<u>4,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,126</u>

FUND BALANCES							
Reserved for future expenditures	4,772	-	-	-	-	16,813	21,585
Unreserved/Undesignated:							
General Fund	<u>91,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,628</u>
Total Fund Balances	<u>96,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,813</u>	<u>113,213</u>
Total Liabilities and Fund Balances	<u>\$ 100,526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,813</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

- Compensated absences are not paid for out of current financial resources and therefore are not reported in the funds (13,664)
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 95,198

Net assets of governmental activities \$ 194,747

The accompanying notes are an integral part of this statement.

ST. MARY COUNCIL ON AGING, INC.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2010**

	General Fund	Title III B	Title III C-2	Senior Center	Section 5310	Non-Major Funds	Total Governmental Funds
REVENUES							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 37,500	\$ -	\$ -	\$ -	\$ -	\$ 3,100	\$ 40,600
Cajun Area Agency on Aging, Inc.	-	59,621	16,349	50,589	-	58,642	185,201
Department of Transportation and Development	-	-	-	-	77,434	-	77,434
Program Service Fees:							
Caregivers	-	-	-	-	-	2,025	2,025
Congregate meals	-	-	-	-	-	15,533	15,533
Home delivered meals	-	-	30,417	-	-	-	30,417
Homemaker	-	6,420	-	-	-	-	6,420
Transportation	-	2,782	-	-	-	-	2,782
Investment Income	2,154	-	-	-	-	-	2,154
Local and miscellaneous:							
Municipalities	48,722	-	-	-	-	-	48,722
Donations	1,543	-	-	-	-	50,105	51,648
Miscellaneous	16,023	-	-	-	-	-	16,023
Total Revenues	105,942	68,823	46,766	50,589	77,434	129,405	478,959
EXPENDITURES							
Health, Welfare, & Social Services							
Current:							
Personnel	-	136,326	90,727	33,671	-	58,983	319,707
Fringe	-	16,385	11,505	4,444	-	8,839	41,173
Travel	826	2,332	22,444	-	-	4,103	29,705
Operating Services	9,475	25,664	10,456	4,294	-	9,404	59,293
Operating Supplies	1,909	6,312	1,304	3,286	-	4,568	17,379
Other Costs	222	-	-	-	-	-	222
Capital Outlay	19,358	-	-	-	77,434	-	96,792
Total Expenditures	31,790	187,019	136,436	45,695	77,434	85,897	564,271
Excess (deficiency) of revenues over expenditures	74,152	(118,196)	(89,670)	4,894	-	43,508	(85,312)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	118,196	89,670	-	-	12,670	220,536
Transfers out	(164,591)	-	-	(4,894)	-	(51,051)	(220,536)
Total other financing sources and uses	(164,591)	118,196	89,670	(4,894)	-	(38,381)	-
Net increase (decrease) in fund balances	(90,439)	-	-	-	-	5,127	(85,312)
FUND BALANCES							
Beginning of the year	186,839	-	-	-	-	11,686	198,525
End of the year	\$ 96,400	\$ -	\$ -	\$ -	\$ -	\$ 16,813	\$ 113,213

The accompanying notes are an integral part of this statement.

ST. MARY COUNCIL ON AGING, INC.

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2010

Net decrease in fund balances - total governmental funds \$ (85,312)

Governmental funds report capital outlays as expenditures.
However, in the statement of activities the cost of these assets
is allocated over their estimated useful lives and reported as
depreciation expense. This is the amount by which capital outlay
(\$96,792) exceeds depreciation (\$4,625) in the period

92,167

Some expenses reported in the Statement of Activities do not
require the use of current financial resources and therefore
are not reported as expenditures in governmental funds -

Compensated absences

(1,235)

Increase in net assets of governmental activities

\$ 5,620

The accompanying notes are an integral part of this statement.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of the Council on Aging

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in St. Mary Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA); other departments of state and local government serving the elderly; and to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

Specific services provided by the Council to the elderly residents of St. Mary Parish include providing congregate and home delivered meals, nutritional education, personal care, information and assistance, outreach, material aid, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion, and transportation.

B. Reporting Entity

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and each council is governed by the policies and regulations established by GOEA.

The St. Mary Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations on October 8, 1973.

A board of directors, consisting of 11 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials.

Membership in the Council is open at all times, without restriction, to all residents of St. Mary Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Based on the criteria set forth in GASB Statement 14, the St. Mary Council on Aging, Inc. is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement 14, the term fiscally independent means that the Council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 14.

C. Presentation of Statements

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The Council has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Council has chosen not to do so because it does not have any business-type activities or enterprise funds.

D. Basic Financial Statements - Government-Wide Statements

The Council's basic financial statements include both Government-Wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Council's functions and programs have been classified as governmental activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the Government-Wide Statement of Net Assets, the governmental type activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net assets consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net assets include all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The Government-Wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted investment income, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The Council did not receive any capital-specific grants this year.

The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. The Statement of Activities shows this allocation in a separate column labeled "indirect cost allocation." In addition, GOEA provides grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs.

The Government-Wide Statements focus upon the Council's ability to sustain operations and the change in its net assets resulting from the current year's activities.

E. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Governmental fund equity is called the fund balance. Fund balance is further classified as reserved and unreserved, with unreserved being further split into designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

The following is a description of the governmental funds of the Council:

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.

Included in the General Fund is the PCOA program. The following is a brief description of this program:

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council. The Council may use the "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

The Council has established several special revenue funds. The following is a brief description of each special revenue fund's purpose:

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major Special Revenue Funds

The Title III B Fund is used to account for funds, which are used to provide various units of supportive social services to the elderly. GOEA has established the criteria for defining a qualifying unit of service for each Title III program. Specific supportive social services, along with the number of units provided during the fiscal year, are as follows:

	<u>Units</u>
Information and assistance	534
Outreach	261
Homemaker	6,397
Transportation for people age 60 or older	3,232
Public education	278
Telephoning	4,370

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound older persons. Using Title III C-2 funds the Council served 58,356 meals during the year to people eligible to participate in this program.

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior center for St. Mary Parish is located in Any City. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Accordingly, during the fiscal year, the Senior Center Fund transferred all of its grant revenue to the Title III B Fund to subsidize that program's cost of providing supportive services to elderly persons who use the senior center.

The Section 5310 Fund accounts for the local transportation activities and funding is provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development. Funds earned and received by the Council are based on actual operating costs of providing transportation services to rural residents within the parish.

Non-Major Special Revenue Funds

The Title III C-1 Fund is used to account for funds provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the current fiscal year, the Council served about 12,827 congregate meals and also provided 447 units of nutritional education to eligible participants.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Title III D Fund is used to account for funds used for disease prevention and health promotion activities. During the year 12,979 units of wellness service and 290 units of medication management service were provided to eligible participants in this program.

The Title III E Fund accounts for funds provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes-through" the funds of the Council. The fund is used to account for funds used to provide services, such as; (1) information to caregivers about available services, (2) assistance to caregivers in gaining access to the services, (3) individual counseling, (4) organizational support groups, (5) caregiver training to caregivers in making decisions and solving problems relating to their caregiving roles, (6) respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities, and (7) supplemental services, on a limited basis, to complement the care provided by caregivers. The number of units provided under Title III-E are as follows:

	<u>Units</u>
Information and assistance	114
Outreach	109
In-home respite	893
Sitter	926

The Supplemental Senior Center Fund was established to account for funds that were appropriated by the Louisiana Legislature for the various councils on aging throughout Louisiana to supplement each council's primary grant for senior center operations and activities. The St. Mary Council on Aging, Inc. was one of the parish councils to receive a supplemental grant of \$3,100. The money received by this fund during the year was transferred to the Senior Center Fund to supplement the supportive services provided by this fund. GOEA provided these funds to the Council.

The Utility Assistance Fund is used to account for the administration of utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. LP&L Helping Hands donations are provided through the Louisiana Association of Councils on Aging, Inc. (LACOA).

The United Way Fund reports assistance received from the community's regular United Appeals Activity. The funds are received upon application to the United Way Agency and are subject to monitoring by that Agency.

The ARRA Fund is used to account for the American Recovery & Reinvestment Act funds that are used to increase services relating to the Title III C-1 and Title III C-2 programs.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis – Government-Wide Financial Statements (GWFS):

The Statement of Net Assets and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis – Fund Financial Statements (FFS):

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

G. Interfund Activity

Interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers represent a permanent reallocation of resources between funds. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net assets in the Government-Wide Financial Statements.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and petty cash. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are reported at their carrying amounts that equal their fair values.

I. Investments

GASB Statement 31 requires the Council to report its investments at fair value, except for investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided that the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors.

Investments that include securities traded on a national or international exchange are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value.

J. Prepaid Expenses/Expenditures

Prepaid expenses include amounts paid for services in advance. These are shown as assets on the Government-Wide Statement of Net Assets.

In the Fund Financial Statements, the Council has elected not to include amounts paid for future services as expenditures until those services are consumed to comply with the cost reimbursement terms of grant agreements. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the Fund Financial Statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been reserved to reflect the amount of fund balance not currently available for expenditure.

K. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Equipment	5-7 years
Vehicles	5 years
Computers	3 years

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

L. Deferred Revenues

The Council reports deferred revenues on its Statement of Net Assets and on the balance sheet of the Fund Financial Statements. Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

M. Unpaid Compensated Absences

The Council's policies for vacation time permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the Government-Wide Statements. Management has estimated the current and long-term portions of this liability based on historical trends. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect at the end of the year. An amount is added to this total for social security and medicare taxes.

In contrast, the governmental funds in the Fund Financial Statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, no amounts have been accrued as fund liabilities as of year-end in the Fund Financial Statements. The differences in the methods of accruing compensated absences creates a reconciling item between the fund and government-wide financial statement presentations.

The Council's sick leave policy does not provide for the vesting of sick leave thereby requiring the employee to be paid for any unused leave upon termination of employment. Accordingly, no amounts have been accrued as unpaid compensated absences in the Government-Wide Financial Statements relative to sick leave.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

O. Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

P. Elimination and Reclassifications

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Q. Subsequent Events

Management has evaluated subsequent events through August 20, 2010, the date the financial statements were available to be issued.

NOTE 2 CASH

The Council maintains a consolidated bank that is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

At year-end, the carrying amount of the Council's cash balances on the books was \$7,908, whereas the related bank cash balances totaled \$22,023. The difference in the book and bank balances for cash relates primarily to deposits made and checks written which did not clear the bank accounts by year-end. All bank balances were covered by federal depository insurance. Accordingly, all bank deposits are classified as a "Category 1" credit risk in accordance with GASB Statement 3.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH (Continued)

GASB Statement 3 categorizes deposits into three categories of credit risk:

Insured by FDIC or collateralized with securities held by the Council or by its agent in the Council's name. (Category 1)

Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Council's name. (Category 2)

Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Council's name; or collateralized with no written or approved collateral agreement. (Category 3)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a legal requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent has failed to pay deposited funds upon demand.

Under state law, all bank deposits must be (1) secured by federal deposit insurance or by the pledge of securities owned by the fiscal agent bank, or (2) invested exclusively in instruments backed by the U.S. government. The fair value of the pledged securities plus the federal deposit insurance must always equal or exceed the amount on deposit with the fiscal agent.

NOTE 3 INVESTMENTS

The Council's primary purpose for investing is to earn interest income on money that its management has determined to be in excess of immediate cash needs. Louisiana Revised Statute 33:2955 sets forth a list of the types of investments in which a political subdivision may invest its temporarily idle funds.

At year-end, the Council's investments were as follows:

Investments	Amount	Interest Rate
Edward Jones:		
Money Market Account	<u>\$ 82,532</u>	0.01%
Total investments	<u>\$ 82,532</u>	

The above investments have been recorded at cost, which approximates market value. Management intends to hold all investments until their maturity, thus, no entry has been made on the books to reflect any increases or decreases in market value at year-end.

All of the Council's investments are classified as a "Category 1" type credit risk in accordance with GASB Statement No. 3 as defined in Note 2.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year-end.

Government grants and contracts receivable at year-end consist of reimbursements for expenses incurred under the following programs:

Program	Fund	Provider	Amount
Social Services	III-B	CAAA	\$ 11,461
Congregate Meals	III C-1	CAAA	1,962
Home Delivered Meals	III C-2	CAAA	1,434
Disease Prevention	III-D	CAAA	422
Caregivers	III-E	CAAA	3,833
Miscellaneous	General	Various	<u>174</u>
Total government grants and contracts receivable			<u>\$ 19,286</u>

NOTE 5 CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance 07-01-09	Increases	Decreases	Balance 06-30-10
Capital Assets				
Vehicles	\$ 94,571	\$ 96,792	\$ -	\$ 191,363
Furniture & equipment	<u>19,165</u>	<u>-</u>	<u>-</u>	<u>19,165</u>
Subtotal	<u>113,736</u>	<u>96,792</u>	<u>-</u>	<u>210,528</u>
Accumulated depreciation:				
Vehicles	94,571	3,226	-	97,797
Furniture & equipment	<u>16,134</u>	<u>1,399</u>	<u>-</u>	<u>17,533</u>
Subtotal	<u>110,705</u>	<u>4,625</u>	<u>-</u>	<u>115,330</u>
Net capital assets	<u>\$ 3,031</u>	<u>\$ 92,167</u>	<u>\$ -</u>	<u>\$ 95,198</u>

Depreciation was charged to governmental activities as follows:

Administration	<u>\$ 4,625</u>
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ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 CHANGES IN LONG-TERM DEBT

The only long-term debt the Council had during the year related to compensated absences. The following is a schedule of the changes in long-term debt for the accrued compensated absences:

Beginning balance - July 1, 2009	\$ 12,429
Net increase (decrease)	<u>1,235</u>
Ending balance - June 30, 2010	<u>\$ 13,664</u>
Current portion	<u>13,664</u>
Total government activity long-term debt	<u>\$ 13,664</u>

NOTE 7 RESERVED FUND BALANCE

The Council receives funding from various utility companies for the restricted purpose of alleviating hardship conditions related to the payment of utility bills for elderly individuals. Funds available at year-end for this purpose have been reserved accordingly. The following summary outlines the activity by funding source for the year ended June 30, 2010:

	Balance July 1, 2009	Revenue July 1, 2009 - June 30, 2010	Disbursements July 1, 2009 - June 30, 2010	Balance June 30, 2010
LACOA	\$ 9,270	\$ 3,146	\$ 978	\$ 11,438
Co-op Cares	2,416	118	-	2,534
	<u>\$ 11,686</u>	<u>\$ 3,264</u>	<u>\$ 978</u>	<u>\$ 13,972</u>

The Council has other assets which are restricted in their application by virtue of the donor's intention or commitments already entered into by the Council. Details on the reserved balances are set out below:

Utility Assistance	\$ 13,972
Prepaid Expenditures	<u>7,613</u>
	<u>\$ 21,585</u>

NOTE 8 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for any out-of-pocket costs they might incur on behalf of the Council in accordance with the Council's applicable reimbursement policy.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 REVENUE RECOGNITION

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting.

Revenues are recorded in the Fund Financial Statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income are usually both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

NOTE 10 INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax.

The Council elected in fiscal year ended June 30, 2010 to adopt the provisions of FASB Interpretation 48, "Accounting for Uncertainties in Income Taxes," which clarifies the accounting and disclosure for uncertain tax positions, as defined. FIN 48 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. Based on our evaluation, we have concluded that there are no significant uncertain tax positions requiring recognition in our financial statements.

NOTE 11 JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council as of year-end. The Council's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

NOTE 12 CONTINGENCIES-GRANT PROGRAMS

The Council participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year-end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 13 ECONOMIC DEPENDENCY

The Council receives the majority of its revenue through grants administered by the Louisiana Governor's Office of Elderly Affairs (GOEA). The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

NOTE 14 INTERFUND TRANSFERS

Interfund transfers to and from are listed by fund for the fiscal year as follows:

	Funds Transferring in:		
	Title IIIB	Title III C-2	Title III D
<u>Funds transferring out:</u>			
General Fund	\$ 97,002	\$ 17,419	\$ 4,969
PCOA	-	37,500	-
Total General Fund	<u>97,002</u>	<u>54,919</u>	<u>4,969</u>
Special Revenue Funds:			
Senior Center	4,894	-	-
Supplemental Senior Center	3,100	-	-
United Way	13,200	30,800	-
Title III C-1	-	3,951	-
ARRA	-	-	-
Total Special Revenue Funds	<u>21,194</u>	<u>34,751</u>	<u>-</u>
Total all funds	<u>\$ 118,196</u>	<u>\$ 89,670</u>	<u>\$ 4,969</u>

	Funds Transferring in:	
	Title III E	Totals
<u>Funds transferring out:</u>		
General Fund	\$ 7,701	\$ 127,091
PCOA	-	37,500
Total General Fund	<u>7,701</u>	<u>164,591</u>
Special Revenue Funds:		
Senior Center	-	4,894
Supplemental Senior Center	-	3,100
United Way	-	44,000
Title III C-1	-	3,951
ARRA	-	-
Total Special Revenue Funds	<u>-</u>	<u>55,945</u>
Total all funds	<u>\$ 7,701</u>	<u>\$ 220,536</u>

ST. MARY COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 14 INTERFUND TRANSFERS (CONTINUED)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

These transfers were eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

NOTE 15 RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

NOTE 16 RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the year.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

ST. MARY COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget - Positive (Negative)
Budgetary fund balance, July 1	\$ 186,839	\$ 186,839	\$ 186,839	\$ -
Resources (inflows):				
Intergovernmental	37,500	37,500	37,500	-
Local and miscellaneous	68,436	68,436	66,288	(2,148)
Interest received	80	80	2,154	2,074
Amounts available for appropriation	<u>292,855</u>	<u>292,855</u>	<u>292,781</u>	<u>(74)</u>
Charges to appropriations (outflows):				
Fringe	666	666	-	666
Travel	826	826	826	-
Operating services	6,751	6,751	9,475	(2,724)
Operating supplies	3,968	3,968	1,909	2,059
Other costs	1,199	1,199	19,358	(18,159)
Transfers out	<u>171,901</u>	<u>171,901</u>	<u>164,591</u>	<u>7,310</u>
Total charges to appropriations	<u>185,311</u>	<u>185,311</u>	<u>196,159</u>	<u>(10,848)</u>
Budgetary fund balance, June 30	<u>\$ 107,544</u>	<u>\$ 107,544</u>	<u>\$ 96,622</u>	<u>\$ (10,922)</u>

ST. MARY COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
Title III B Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	62,467	62,468	59,621	(2,847)
Program income	7,000	8,500	9,202	702
Transfers in	<u>95,953</u>	<u>109,413</u>	<u>118,196</u>	<u>8,783</u>
Amounts available for appropriation	<u>165,420</u>	<u>180,381</u>	<u>187,019</u>	<u>6,638</u>
Charges to appropriations (outflows):				
Personnel	130,928	146,932	152,711	(5,779)
Travel	3,169	2,520	2,332	188
Operating services	23,787	24,341	25,664	(1,323)
Operating supplies	<u>7,536</u>	<u>6,588</u>	<u>6,312</u>	<u>276</u>
Total charges to appropriations	<u>165,420</u>	<u>180,381</u>	<u>187,019</u>	<u>(6,638)</u>
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ -

ST. MARY COUNCIL ON AGING, INC.

Budgetary Comparison Schedule

Title III C 2

Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget - Positive (Negative)
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	16,349	16,349	16,349	-
Program income	25,000	32,235	30,417	(1,818)
Transfers in	89,669	99,537	89,670	(9,867)
Amounts available for appropriation	<u>131,018</u>	<u>148,121</u>	<u>136,436</u>	<u>(11,685)</u>
Charges to appropriations (outflows):				
Personnel	92,691	108,462	102,232	6,230
Travel	25,783	26,200	22,444	3,756
Operating services	11,327	12,155	10,456	1,699
Operating supplies	<u>1,217</u>	<u>1,304</u>	<u>1,304</u>	<u>-</u>
Total charges to appropriations	<u>131,018</u>	<u>148,121</u>	<u>136,436</u>	<u>11,685</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. MARY COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
Senior Center
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget - Positive (Negative)
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	47,363	48,681	50,589	1,908
Transfers in	3,226	1,908	-	(1,908)
Amounts available for appropriation	50,589	50,589	50,589	-
Charges to appropriations (outflows):				
Personnel	38,115	38,115	38,115	-
Operating services	4,294	4,294	4,294	-
Operating supplies	3,286	3,286	3,286	-
Transfers out	4,894	4,894	4,894	-
Total charges to appropriations	50,589	50,589	50,589	-
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ -

ST. MARY COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
Section 5310
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget - Positive (Negative)
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Local and miscellaneous	<u>77,434</u>	<u>77,434</u>	<u>77,434</u>	<u>-</u>
Amounts available for appropriation	<u>77,434</u>	<u>77,434</u>	<u>77,434</u>	<u>-</u>
Charges to appropriations (outflows):				
Capital outlay	<u>77,434</u>	<u>77,434</u>	<u>77,434</u>	<u>-</u>
Total charges to appropriations	<u>77,434</u>	<u>77,434</u>	<u>77,434</u>	<u>-</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

ST. MARY COUNCIL ON AGING, INC.

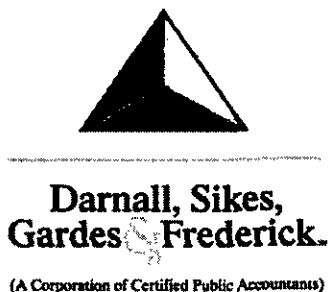
Schedule of Non-Major Funds
Year Ended June 30, 2010

	Title III C-1	Title III D	Title III E	Supplemental Senior Center	United Way	ARRA	Utility Assistance	Total
REVENUES								
Intergovernmental:								
Governor's Office of Elderly Affairs	\$ -	\$ -	\$ -	\$ 3,100	\$ -	\$ -	\$ -	3,100
Cajun Area Agency on Aging, Inc.	24,044	4,046	26,462	-	-	4,090	-	58,642
Program service fees	15,533	-	2,025	-	-	-	-	17,558
Local and miscellaneous	-	-	-	-	46,841	-	3,264	50,105
Total Revenues	<u>39,577</u>	<u>4,046</u>	<u>28,487</u>	<u>3,100</u>	<u>46,841</u>	<u>4,090</u>	<u>3,264</u>	<u>129,405</u>
EXPENDITURES								
Current:								
Personnel	24,090	7,101	27,792	-	-	-	-	58,983
Fringe	3,705	1,042	4,092	-	-	-	-	8,839
Travel	954	164	1,636	-	-	1,349	-	4,103
Operating Services	5,422	625	2,379	-	-	-	978	9,404
Operating Supplies	1,455	83	289	-	-	2,741	-	4,568
Total Expenditures	<u>35,626</u>	<u>9,015</u>	<u>36,188</u>	<u>-</u>	<u>-</u>	<u>4,090</u>	<u>978</u>	<u>85,897</u>
Excess (deficiency) of revenues over expenditures	<u>3,951</u>	<u>(4,969)</u>	<u>(7,701)</u>	<u>3,100</u>	<u>46,841</u>	<u>-</u>	<u>2,286</u>	<u>43,508</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	4,969	7,701	-	-	-	-	12,670
Transfers out	<u>(3,951)</u>	<u>-</u>	<u>-</u>	<u>(3,100)</u>	<u>(44,000)</u>	<u>-</u>	<u>-</u>	<u>(51,051)</u>
Total other financing sources and uses	<u>(3,951)</u>	<u>4,969</u>	<u>7,701</u>	<u>(3,100)</u>	<u>(44,000)</u>	<u>-</u>	<u>-</u>	<u>(38,381)</u>
Net increase in fund balances	-	-	-	-	2,841	-	2,286	5,127
FUND BALANCES								
Beginning of the year	-	-	-	-	-	-	11,686	11,686
End of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,841</u>	<u>\$ -</u>	<u>\$ 13,972</u>	<u>\$ 16,813</u>

ST. MARY COUNCIL ON AGING, INC.

Comparative Schedule of General Fixed Assets
And Changes In General Fixed Assets
Year Ended June 30, 2010

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
General fixed assets:				
Vehicles	\$ 94,571	\$ 96,792	\$ -	\$ 191,363
Furniture and equipment	<u>19,165</u>	<u>-</u>	<u>-</u>	<u>19,165</u>
Total general fixed assets	<u>113,736</u>	<u>96,792</u>	<u>-</u>	<u>210,528</u>
Investment in general fixed assets:				
Property acquired with funds from -				
Title III D	10,201	-	-	10,201
DOTD	72,932	77,434	-	150,366
Local and donated	<u>30,603</u>	<u>19,358</u>	<u>-</u>	<u>49,961</u>
Total investment in general fixed assets	<u>\$ 113,736</u>	<u>\$ 96,792</u>	<u>\$ -</u>	<u>\$ 210,528</u>



**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of
Financial Statements Performed in
Accordance with *Government Auditing Standards***

The Board of Directors
St. Mary Council on Aging, Inc.
Franklin, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Mary Council on Aging, Inc. as of and for the year ended June 30, 2010, which collectively comprise the St. Mary Council on Aging, Inc.'s basic financial statements and have issued our report thereon dated August 20, 2010. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. Mary Council on Aging, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Mary Council on Aging, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of St. Mary Council on Aging, Inc.'s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Eugene H. Darnall, CPA, Deceased 1990

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Eugene H. Darnall, III, CPA
Stephanie M. Higginbotham, CPA
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Society of Louisiana
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Mary Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, others within the organization and is not intended to be and should not be used by anyone other than those specified parties. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana
August 20, 2010

ST. MARY COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unqualified opinion has been issued on St. Mary Council on Aging, Inc.'s financial statements as of and for the year ended June 30, 2010.

Significant Deficiencies – Financial Reporting

No significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.

Material Noncompliance – Financial Reporting

We noted no material instances of noncompliance during the audit.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2010.

Part II Findings Related to an Audit in Accordance with Governmental Auditing Standards

This section is not applicable for the fiscal year ended June 30, 2010.

Part III Findings and Questioned Costs Relating to Federal Programs

At June 30, 2010, the St. Mary Council on Aging, Inc. did not meet the requirements to have a single audit in accordance with OMB Circular A-133; therefore this section is not applicable.

Part IV Management Letter

A management letter was not issued by the auditor for the fiscal year ended June 30, 2010.

ST. MARY COUNCIL ON AGING, INC.

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2010**

This section is not applicable for the fiscal year ended June 30, 2010.

ST. MARY COUNCIL ON AGING, INC.

**Management's Corrective Action Plan
Year Ended June 30, 2010**

This section is not applicable for the fiscal year ended June 30, 2010.